

STEPTOE & JOHNSON LLP

1330 Connecticut Avenue, NW  
Washington, DC 20036-1795

Telephone 202.429.3000  
Facsimile 202.429.3902  
<http://www.steptoel.com>

Alfred M. Mamlet  
202.429.6205  
[amamlet@steptoel.com](mailto:amamlet@steptoel.com)

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Ms. Magalie Roman Salas  
Secretary, Federal Communications Commission  
The Portals, 445 12th Street, S.W.  
Washington D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

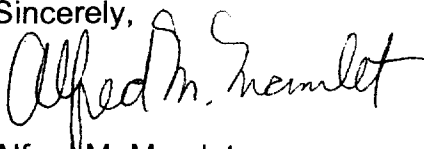
Re: **Ex Parte**  
**Direct Access to the INTEL SAT System**  
**IB Docket No. 98-192, File No. 60-SAT-ISP-97**

Dear Ms. Salas:

On May 20, 1999, Robert Koppel and Alfred Mamlet, for MCI WorldCom, Inc., met with Jim Ball and Sande Taxali, of the International Bureau to discuss the above-captioned matter. They discussed the positions taken by MCI WorldCom, Inc. on direct access, fresh look and space segment portability in the pleadings previously filed in this docket.

In addition, they discussed the attached March 30, 1999 COMSAT press release, announcing COMSAT's decision to increase its investment share in INTEL SAT by approximately 2 percent. In the press release, COMSAT President and CEO Betty C. Alewine states "[f]or these reasons, COMSAT's increased share in INTEL SAT makes good business sense, and the corporation expects to see a strong return on this investment" (emphasis added). Since the return from this investment is based solely on revenues from the INTEL SAT Utilization Charge ("IUC"), COMSAT's investment provides compelling marketplace evidence that the IUC provides a more than acceptable commercial rate of return on capital.

Sincerely,



Alfred M. Mamlet

Enclosure

cc: Mr. Jim Ball  
Mr. Sande Taxali  
Mr. Douglas Webbink  
Ms. Cathy Hsu

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**News**

March 30, 1999

## **COMSAT INCREASES OWNERSHIP OF INTELSAT SYSTEM**

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**BETHESDA, Md.** -- COMSAT Corporation today announced it has increased its ownership in the INTELSAT satellite system by approximately 2 percent. This change will give COMSAT an ownership share in the INTELSAT system of approximately 20 percent effective from March 1, 1999 through February 29, 2000.

"INTELSAT is a successful satellite system with terrific assets, a proven track record and a strong future that will look even better once it is released from its current intergovernmental structure," said COMSAT President and CEO Betty C. Alewine. "For these reasons, COMSAT's increased share in INTELSAT makes good business sense, and the corporation expects to see a strong return on this investment."

Alewine also noted that this investment comes at an important time. "This change represents a small increase in COMSAT's voting strength within the INTELSAT organization, and comes at a critical time in the restructuring process. COMSAT is absolutely committed to the procompetitive privatization of the INTELSAT system, and we will continue to work with INTELSAT management and our fellow owners to complete the transition to privatization as quickly as possible."

INTELSAT operates a global network of 19 satellites that serve over 200 nations. Originally created as an intergovernmental organization, INTELSAT's 143 member countries are now working to transform INTELSAT into a fully privatized company competing in the global telecommunications market.

From its first day in business, COMSAT has been a fully commercial, publicly traded company (NYSE:CQ) that was created with a mandate to develop this international satellite system. In 1998, the Federal Communications Commission declared COMSAT to be "non-dominant," finding that the company faces significant competition in all the major markets it serves.

INTELSAT ownership share is determined each year based on usage and investment and therefore will be redetermined annually before full privatization.

Some of the statements in this news release are forward-looking and relate to anticipated future operating results. Forward-looking statements are based on COMSAT management's current expectations and assumptions, which may be affected by the timing and outcome of pending regulatory and legislative actions, by developments concerning the privatizations of INTELSAT and Inmarsat, by the announced proposed acquisition of the Corporation by Lockheed Martin Corporation, by international business conditions, and by other subsequent developments and business conditions, and necessarily involve risks and uncertainties. Therefore, there can be no assurance that actual future results will not differ materially from anticipated results. Readers should refer to COMSAT's disclosure documents filed with the Securities and Exchange Commission, including the Corporation's recent Forms 10-K and 10-Q, for specific details on some of the factors that may affect operating results.

COMSAT Corporation is a global provider of satellite services and digital networking services, products, and technology.

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### **Contact:**

Jason Crawford      Public Relations Specialist, COMSAT Corporation  
Gary Sharpe      Director, Investor Relations, COMSAT Corporation

+1 301 214 3492  
+1 301 214 3244

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Webmaster